

SENATE BILL 2718

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 3, Part 11, relative to the procedure for paying and collecting compressed natural gas tax by metered dispensers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 3, Part 11, is amended by adding the following as new section:

67-3-1119.

(a) As used in this section, “dealer” also means a person or entity that dispenses compressed natural gas to the public or for private use.

(b) A dealer, as defined in subsection (a), shall file an application with the commissioner for a natural gas dealer’s permit, which is not assignable.

(c) An application for a permit shall be filed on a form provided by the commissioner.

(d) A dealer permit shall be posted in a conspicuous place or kept available for inspection at the principal place of business of the permittee. A dealer permittee shall reproduce the permit and display it in a conspicuous place at each additional place of business from which natural gas is sold, delivered or used in motor vehicles.

(e) Application for a natural gas dealer permit shall be accompanied by a bond, payable to this state, as provided in part 6 of this chapter.

(f) A compressed natural gas dealer permit is permanent and valid as long as the permittee furnishes timely reports and remits the taxes when due, or until surrendered by the holder or cancelled by the commissioner.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 3, Part 11, is further amended by adding the following as new section:

67-3-1120.

(a) "Qualified natural gas dispenser" means a dispenser that measures the amount dispensed by means of a National Type Evaluation Program certified fuel meter.

(b) A dealer permit authorizes a dealer to collect and remit taxes on compressed natural gas delivered into the fuel supply tanks of motor vehicles by means of a qualified natural gas dispenser with meter capability. When compressed natural gas is delivered by a dealer to a customer's vehicle by means of a qualified natural gas dispenser, user permits under this part are not required.

(c) Dealers shall be legally responsible for collecting the tax imposed by § 67-3-1113 at the time of delivery to a vehicle.

(d) For the purpose of reporting the amount of tax imposed on metered compressed natural gas by § 67-3-1113, each dealer shall file with the commissioner, on a form prescribed by the commissioner, a monthly report on or before the twenty-fifth day of the month following the month of activity, whether or not fuel is used, and remit the tax due and collected. The report shall be executed under a declaration of penalty of perjury and shall state the total amount of compressed natural gas dispensed by the permittee within the state.

(e) A dealer shall keep for four (4) years, open to inspection at all times by the department and the attorney general and reporter, a complete record of all metered compressed natural gas received and used.

(f) Meters and dispensers are subject to inspection and verification under title 47, chapter 26 by the department of agriculture's weights and measures section and the section's enforcement provisions.

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.